

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, California 95814



May 5, 2000

ALL COUNTY INFORMATION NOTICE: I-50-00

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: DIRECT DEPOSIT OF CalWORKs BENEFITS

REFERENCE: ACIN I-25-99

**REASON FOR THIS TRANSMITTAL**

- |                                     |   |
|-------------------------------------|---|
| <input type="checkbox"/>            | State Law Change                                |
| <input type="checkbox"/>            | Federal Law or Regulation Change                |
| <input type="checkbox"/>            | Court Order or Settlement Agreement             |
| <input type="checkbox"/>            | Clarification Requested by One or More Counties |
| <input checked="" type="checkbox"/> | Initiated by CDSS                               |

Several California counties have begun the development and implementation of direct deposit systems for the delivery of public assistance (PA) benefits. So in support of these efforts the California Department of Social Services (CDSS) has developed a matrix [PUB 342 (enclosed)] to provide counties and unbanked PA recipients with information regarding savings and checking accounts available at a number of financial institutions located throughout the State.

ACIN I-25-99, dated April 5, 1999 outlined the tangible benefits that counties and PA recipients can derive through the direct deposit of cash benefits into depository accounts. As stated in the referenced ACIN, Welfare and Institution Code Section 11006.2(c) provides counties with the necessary statutory authority to establish direct deposit as a method of benefit delivery at recipient option. In order to implement direct deposit the following two conditions must be satisfied:

- The county board of supervisors must adopt a resolution to implement direct deposit and,
- The county treasurer must make an agreement with at least one Automated Clearing House participating financial institution.

Direct deposit is an integral element in the migration of benefit delivery to a more efficient electronic environment. Further, it can be a means to encourage PA recipients to establish traditional depository relationships with local banks and savings institutions. These relationships can assist recipients in their transition from public assistance to the mainstream economy.

Direct deposit is the delivery method for the vast majority of federal benefits and has proven to be efficient and cost effective. The United States Treasury Department estimates average savings of 41 cents for each direct deposit transaction compared to the cost of issuing a paper check. Additionally, the California Legislature is currently considering Senate Bill 962 which mandates

All County Welfare Directors  
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that those counties offering direct deposit to employees offer direct deposit to their PA recipients.

Currently, the brochure contains account information provided by the fourteen institutions that responded to CDSS' invitation to participate in the initial distribution of the matrix. This includes several of the largest banks in the State as well as a number of smaller, regional institutions. Additions and revisions to the product matrix will be provided as needed in the future. CDSS does not endorse any specific financial institution nor recommends that only those institutions included in the matrix be used. Recipients should be encouraged to contact local institutions in their local area to identify those products that best satisfy their specific needs.

Your county can reproduce the enclosed brochure if it elects to implement direct deposit. Copies of the brochure can be distributed to your staff and can be shared with recipients.

If you have comments on the enclosed brochure or have questions about implementing direct deposit, please contact David Badal of the Program Technology and Support Bureau at (916) 654-1405.

Sincerely,

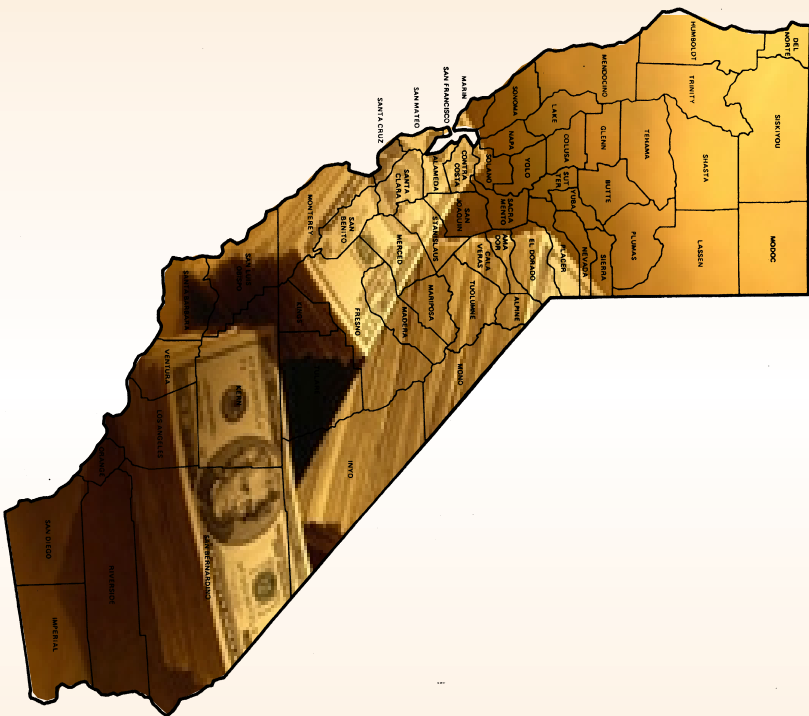
***Original Document Signed by  
Calvin Rogers on 5/5/00***

CALVIN ROGERS, Chief  
Program Integrity Branch

Enclosure

c: California Bankers Association

# California FINANCIAL INSTITUTION Product Summary



USE DIRECT DEPOSIT



## A Note TO USERS OF THIS DOCUMENT

The California Department of Social Services (CDSS) is strongly encouraging counties to offer direct deposit services to cash benefit recipients. As an aid in this effort, this financial product matrix has been prepared to provide counties and unbanked public assistance benefit recipients with information regarding low-cost banking accounts currently available from California financial institutions. At the time of this printing, fourteen institutions have provided information regarding their products. Any additions or changes will be provided in the future. This information may be beneficial to public assistance recipients desiring to receive their benefits in a more efficient and secure electronic manner.

Interested recipients are strongly encouraged to contact their local financial institution to obtain specifics about product offerings. The financial product matrix does not contain a complete listing of all products offered by California financial institutions. Recipients are encouraged to utilize financial products that best fit their specific needs.

The institutions included are those that responded to the Department's invitation to participate in the initial distribution of the matrix. The information displayed in the matrix is provided in summary form and does not include all of the features that may be associated with a specific product. All of the product offerings included will accommodate the direct deposit of public assistance benefit payments. CDSS does not guarantee the accuracy or completeness of the information contained in the matrix. Further, the Department does not endorse any specific financial institution and does not recommend that only those institutions included in the matrix be used.

The products contained in this matrix are listed in alphabetical order by product types and financial institution name. CDSS is interested in receiving suggestions concerning improving the utility of the product matrix. Please direct written comments to:

California Department of Social Services  
Attention: Program Technology Bureau  
Mail Station 14-46  
744 P Street  
Sacramento, California 95814



USE  
Direct  
Deposit

DEFINITIONS:

- ATM

Automated Teller Machine
- POS

Point of Sale Device
- CHECK IMAGING

Photocopies of paid checks returned with statement
- CHECK ENCLOSURE

Actual paid checks returned with statement
- DIRECT DEPOSIT

Benefits deposited directly into bank account
- FOREIGN ATM

Automated teller machines at other banks/locations

WHAT IS DIRECT DEPOSIT?

Direct deposit is a safe, easy way to have your benefit payments sent right to your bank account electronically.

WHAT KIND OF BANK ACCOUNT DO I NEED?

Account is a general term to refer to any checking or savings account at a bank, savings bank, or credit union. If you have a checking or savings account at any of these financial institutions you can use direct deposit. If you don't have an account, you can visit any bank, savings bank, or credit union near you to find out about opening a low-cost checking or savings account.

WHY SHOULD I WANT TO USE DIRECT DEPOSIT?

The simple answer is that direct deposit is better than checks. Direct deposit is:

- Safe – Unlike checks, direct deposit payments cannot be lost or stolen.
- Convenient – You don't have to make any special trips to deposit or cash your check, which is good if the weather is bad, you are out of town, are sick, are working, or just want to stay at home.
- Reliable – Unlike a check, your direct deposit can't get lost. It is already in your checking or savings account on the morning that you would have received your check. Social Security has been using direct deposit since 1976 and has never lost a check.

DON'T WAIT IN LINE TO CASH OR DEPOSIT YOUR CHECK. USE DIRECT DEPOSIT!



STATE OF CALIFORNIA  
*Gray Davis, Governor*

HEALTH AND HUMAN  
SERVICES AGENCY  
*Grantland Johnson, Secretary*

DEPARTMENT OF  
SOCIAL SERVICES  
*Rita Saenz, Director*

SAVINGS ACCOUNTS

TUITION Summary		MONTHLY MAINTENANCE FEES	ATM CARD		ATM CARD			CALIFORNIA POS ACCESS/FEES			MINIMUM DEPOSIT TO OPEN ACCOUNT
			Card Replacement Fees		Access Fees			CALIFORNIA POS ACCESS/FEES			
					Bank Owned	Foreign ATM	Daily Withdrawal Limit	Fee for POS Usage	Daily Withdrawal Limit	POS Purchase Limit	
1 California Federal Bank Regular Savings Account	\$3.00 (waived w/daily min. balance of \$200.00)	\$5.00		0	\$1.50	\$400.00	25¢	\$400.00	\$400.00	\$100.00	
2 El Dorado Savings Bank Regular Savings Account	0	\$5.00		0	\$1.50	\$300.00	N/A	N/A	N/A	\$100.00	
3 Farmers and Merchants Bank of Central California ETA Savings Account	0	\$3.00		0	\$1.00	\$500.00	N/A	N/A	N/A	\$10.00	
4 Union Bank of California Benefit Transfer Service Account	Customer is charged 1% of amount withdrawn at time of withdrawal	N/A		N/A	N/A	N/A	N/A	N/A	N/A	0	
5 Washington Mutual Bank Statement Savings (Interest Bearing)	\$3.00 (waived w/direct deposit)	0		0	\$2 USA \$3 out of USA	\$300.00	0	\$500.00	\$500.00	\$3.00	



CHECKING ACCOUNTS

1 Bank of America Versatel Checking
2 Bay View Bank Economy Checking
3 Bay View Bank Traditional Checking
4 California Bank and Trust Cost Saver Checking
5 California Federal Bank Economy Interest Checking (Interest Bearing)
7 California Federal Bank 50 Plus Interest Checking (Interest Bearing/One account holder must be at least 50 years of age)
8 El Dorado Savings Bank Regular Checking Account
9 Exchange Bank Special Checking
10 Farmers and Merchants Bank of Long Beach Personal Checking Account
11 Founders National Bank of Los Angeles Economy Checking Account
12 River City Bank Quick Checking
13 Tokai Bank of California Regular Checking Account
14 Union Bank of California Benefit Transfer Service Account (Interest bearing/designed for customers with derogatory credit history)
15 Union Bank of California Basic Checking (primarily for ATM users)
16 U.S. Bank Value Checking
17 U.S. Bank Express Checking
18 Washington Mutual Bank Free Checking

MONTHLY MAINTENANCE FEES		ATM CARD				CALIFORNIA POS ACCESS/FEES					CHECKING SERVICE/COSTS			MINIMUM DEPOSIT TO OPEN ACCOUNT
		Card Replacement Fees	Access Fees								Monthly Statement Fee	Charge for Checks Returned with statement	Other Features	
¢ for each check paid			Bank Owned	Foreign ATM	Daily Withdrawal Limit	Fee for POS Usage	Daily Withdrawal Limit	POS Purchase Limit						
\$5.50 0 (waived w/direct deposit)	0	0		\$1.50	\$300.00	0	\$300.00	\$700.00	0	\$2.00		\$100.00		
\$4.00 0	\$5.00	0		\$1.25	\$300.00	0	\$350.00	\$350.00	0	0		\$100.00		
\$6.00 0 (waived w/direct deposit)	\$5.00	0		First 3 free thereafter \$1.25	\$300.00	0	\$350.00	\$350.00	0	0		\$100.00		
\$4.00+50¢ for each check over 8 per month	0	0		\$1.00	\$500.00	25¢	\$500.00	\$500.00	\$5.00 (for in-branch statement)	N/A	Mini-statements available at ATMs for \$1.00	\$100.00		
0 20¢	\$5.00	0		\$1.50	\$400.00	25¢	\$400.00	\$400.00	0	\$1.00 (Check Imaging) \$2.00 (Check enclosure)		\$50.00		
0 0	\$5.00	0		\$1.50	\$400.00	25¢	\$400.00	\$400.00	0	\$1.00 (Check Imaging) \$2.00 (Check enclosure)		\$100.00		
0 0	\$5.00	0		\$1.00	\$300.00	0	\$350.00	\$350.00	0	0		\$100.00 (Waived w/direct deposit)		
\$4.00 up to 40¢ each 10 checks/mo thereafter	0	0		\$1.00	\$500.00	N/A	N/A	N/A	0	0 (for imaging statement w/ all checks)		\$100.00		
\$5.00 30¢	0	0		\$1.00	\$200.00	N/A	N/A	N/A	0	0		\$100.00		
\$3.50 up to 30¢ each 10 checks/mo thereafter	0	0		\$1.00	\$350.00	10¢	\$300.00	\$300.00	0	0		\$25.00		
\$5.00 0 (waived with direct deposit)	0	0		\$1.50	\$300.00	N/A	N/A	N/A	0	0	First 10 checks during statement cycle are free. 50¢ for all checks written thereafter	\$100.00		
\$9.00 0 (waived if over 62 years age)	0	0		0	\$300.00	0	\$300.00	\$300.00	0	0	No additional charges for teller transactions	\$200.00		
Customer is charged 1% of amount withdrawn at time of withdrawal	N/A	N/A		N/A	BALANCE OF ACCOUNT	N/A	N/A	N/A	0	0	Interest bearing/designed for customers with derogatory credit history	0		
\$3.00 After 5 checks 75¢	0	0		\$1.25	\$100.00	N/A	N/A	N/A	0	0		\$1.00		
\$6.00 0 (waived w/direct deposit)	\$5.00	0		\$1.50	\$300.00	0	Vary by Account Status	Vary by Account Status	0	\$1.00 (waived with direct deposit)		\$100.00		
\$3.50 (waived w/ATM or Telephone transactions)	\$5.00	0		\$1.50	\$300.00	0	Vary by Account Status	Vary by Account Status	0	0		\$100.00		
0 0	0	0		\$2 USA \$3 out of USA	\$300.00	0	\$500.00	\$500.00	0	0	Customer can write 8 checks monthly with no charge. Thereafter, checks written are assessed a fee of 50¢ each	1¢ or cost of checks		